

**MINUTES OF THE
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**

August 14, 2008 • 10:00 a.m. to 12:00 p.m.
State Capitol Building, Room C250
Salt Lake City, Utah

Members Present: Amy Rees Anderson, Ragula Bhaskar, Mike Dowse, Mary Draper, Molonai Hola, Mel Lavitt, Nikos Linardakis by phone, Jerry Oldroyd, Jim Sorenson

Members Absent: Bill Boyle, Jack Brittain, Stanley Ellington, Richard Nelson, Gerald Sherratt, Cliff White

Visitors: Todd Brightwell, Reed Taft Jacobs, Steve Maas, Steve Oberbeck, Brice Wallace, Neil Wieloch

Staff: Luke Behrmann, Clark Caras, Doug Clark, Tamy Dayley, Bev Evans, Amy Hamblin, Bill Loos, Derek Miller, Christina Oliver, Ryan Starks

Welcome –

Approve July 2008 Minutes

MOTION: Jerry Oldroyd moved to approve the minutes of the July 18, 2008 GOED Board Meeting. Mel Lavitt seconded the motion. Motion carried unanimously.

EDZONE

Establish an Economic Development Zone for purposes of supporting the location of the Disney Interactive Project at the in Salt Lake City, Utah.

MOTION: Jerry Oldroyd moved to approve the creation of an Economic Development Zone for Salt Lake City in support of their letter of request detailing the boundaries of the Disney Interactive Project dba Avalanche Software located at 102 West 500 South, Salt Lake City and Fall Line Studios located at 175 S. West Temple, Salt Lake City, Utah. Mel Lavitt seconded the motion. Motion carried unanimously.

Cephalon

Project Highlights

- Relocate contract manufacturing business to Salt Lake City, UT
- Target Industry: Life Sciences/Biotech
- Proposed Location: Salt Lake City
- Capital Investment: \$18 Million in plant and equipment

Jobs and Revenue

- 50+ New Full-time Positions created over 10 years
- Average Project Salary Over 125% of the Salt Lake County Average Wage
- Over \$37 Million New State Wages over 10 years
- New State Revenue over \$6.5 Million in that same period

Company Request

- \$2,200,000 EDTIF for 10 years

Current EDTIF Incentive

- \$2.1 million EDTIF grant for the expansion of their manufacturing facilities: 300+ new FTE's and \$8+ million new state revenue

Local Incentives

- Salt Lake City proposed incentive was approved by the GOED Incentives Committee on 8/7/2008.

MOTION: Jerry Oldroyd moved to approve for Cephalon a \$1,683,200 maximum refundable tax credit based on 25% of new state revenue over 10 years. Mel Lavitt seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$1,683,200 EDTIF tax credit.
- Annual incentive amount based on 25% of new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 25% of new incremental state tax revenues over 10 years, with contractual recapture provision for any excess funds paid to the company

- Annual total average project salary of new employees to be at least 125% of Salt Lake County average wage
- Must commit to keep operation in Utah for at least 10 years
- Commitment by local government to provide local incentive
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above

GOED Report

Derek Miller, Managing Director of Recruitment and Incentives, provided an update on the incentives program. Mr. Miller also discussed this year's goals and metrics. The new fiscal year started in July.

The Workforce Service and Community and Economic Development Interim Committee will meet on August 20th. GOED will be reporting on all of the economic development programs with the focus being on how the programs operate and set up performance metrics. There will also be a status report on the conversion of the EDTIF incentive to a tax credit. The Motion Picture Incentive Fund will be discussed including the ability to go after larger budget movies and TV series. An economic model is in progress that will show the great impact that these films have on the state.

Mr. Miller explained some of the changes to the Incentives Committee. Richard Nelson and Cliff White have rotated off the committee in order to give the opportunity to other board members. Mr. Miller thanked Richard and Cliff for their service on the committee. Molonai Hola and Mike Dowse will be the new committee members. Jerry Oldroyd acknowledged the service that Richard and Cliff gave to the committee and how their knowledge has played such a vital role and is very much appreciated.

Todd Brightwell, EDCUtah, gave a project status report. Mr. Brightwell discussed past and upcoming projects. He also reported that there have been no significant losses.

Governor Huntsman is taking a fresh look at his 10 Point Development Plan and is seeking feedback from the business community. A survey will be emailed out regarding the 10 Point Plan, please take a few minutes to fill it out and submit online.

Beverly Evans, Rural Development for GOED, discussed the Rural Fast Track Program, job growth and how this program has helped rural Utah. The Utah Rural Summit was held on August 7th. There were three areas that were emphasized during the summit: Energy, Environment and Education. There was further discussion regarding education including the curriculum and school counseling.

No other business.

Meeting adjourned.